

PROPOSED BY: _____
INTRODUCED: _____

ORDINANCE NO. _____

**Adding the Ferry District Funds and Board of Supervisors to WCC 10.34 –
Ferry Rates**

WHEREAS, the Whatcom County Ferry District was established on May 18, 2026; and

WHEREAS, the new Ferry District Board of Supervisors was established by WCC 101.01; and

WHEREAS, the County Council desires to clarify that, because it acts in two distinct legal capacities with respect to the ferry system, it must act in the capacity appropriate to the fund or revenue source affected by a given action, consistent with RCW 36.54.170, and that any change to the fare box recovery rate established by WCC 10.34.030 shall be adopted by ordinance or resolution of the Council acting in the appropriate capacity; and

WHEREAS, portions of WCC 10.34 should be updated to reflect the new fund and governing body.

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that WCC 10.34 – Ferry Rates are amended as Exhibit A.

ADOPTED this ____ day of _____, 2026

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Cathy Halka, Clerk of the Council

Kaylee Galloway, Council Chair

APPROVED AS TO FORM:

WHATCOM COUNTY EXECUTIVE
WHATCOM COUNTY, WASHINGTON

Christopher D Quinn 6/26/26 email
Civil Deputy Prosecutor

Satpal Sidhu, County Executive

() Approved () Denied

Date Signed: _____

Exhibit A

WCC 10.34.005 Definitions

M. "County Ferry Fund" is the account where dedicated monies are held for ferry expenses means the restricted fund established by the county into which Fare Box Considered Revenue, county operational allocations, and other dedicated county ferry system revenues are deposited, and from which county ferry operating and maintenance expenses are paid.

N. "Ferry fund reserve target" is defined as 50 percent of the average prior three years' ATOE and will be comprised of 55 percent fare box considered revenue and 45 percent county funds. The ferry fund shall contain the full ferry fund reserve target by 2034. "Ferry District Property Tax" means the dedicated property tax revenue levied by the Whatcom County Ferry District to cover current and future expenses of the Ferry System. This tax may fund services including, but not limited to, operations, terminal improvements and relocation, system upgrades, future vessel and terminal replacement, automated ticketing, lease payments, debt services, and contributions toward the County Ferry Fund Reserve Target.

O. "Ferry District Fund" means the separate legal fund established and maintained by the county treasurer as ex officio treasurer of the Whatcom County Ferry District under RCW 36.54.170, into which Ferry District property tax and other district-specific revenues are deposited.

P. "County Ferry Fund Reserve Target" is defined as 50% of the average prior three years' ATOE. This Reserve Target will be comprised of 55% Fare Box Considered Revenue and 45% Ferry District Property Tax revenue. The County Ferry Fund shall contain the full County Ferry Fund Reserve Target by 2034.

WCC 10.34.030 Use of ferry user fee revenues

Beginning January 1, 2006, a 55 percent Fare Box recovery rate shall be applied and evaluated continuously, from that time forward, on an annual basis. An annual review of ferry system services, actual and projected operating costs, and actual and projected revenue from ferry user fees shall occur to verify that the Fare Box recovery rate is being achieved.

The annual review shall be presented to the Whatcom County Council during the second quarter of each calendar year. The Whatcom County Council constitutes the Ferry District Board of Supervisors ex officio under RCW 36.54.130, and accordingly acts in its capacity as

the Ferry District Board of Supervisors with respect to matters concerning the Ferry District Fund and Ferry District property tax, and in its capacity as the County legislative authority with respect to matters concerning the County Ferry Fund. Nothing in this section relieves the Council of the obligation to act in the proper capacity for the fund or revenue source affected by a given action, consistent with RCW 36.54.170.

The purpose of this annual review is to ~~use~~ evaluate the cumulative fare box reserve total, the ferry fund reserve target, and the current projections to determine if a fare change is warranted.

Additionally, beginning January 1, 2024, the cumulative fare box reserve's adequacy shall be evaluated, in part by comparison against the annual ferry fund reserve target with the goal of fully funding the ferry fund reserve target by 2034. At a minimum, fares or expenditures shall be adjusted each year for inflation per the Consumer Price Index (CPI-U). All CPI-U related fare changes shall go into effect in January of the following year.

The 55 percent fare box recovery rate shall be applied to the adjusted total operating expenses (ATOE) to determine the fare box recovery goal. The remaining ~~45~~ percent of the ATOE shall be funded through other ~~county funding~~ ferry eligible revenue sources, which ~~include but~~ are not limited to Ferry District property tax ~~road taxes~~.